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GROUP 3600

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Application Number: 09/750,617
Filing Date: December 20, 2000
Appellant(s): TENORIO, NOEL

James E. Walton
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed April 10, 2006 appealing from the Office

action mailed August 12, 2005.

(1) Real Party in Interest

A statement identifying by name the real party in interest is contained in the brief.

(2) Related Appeals and Interferences

The examiner is not aware of any related appeals, interferences, or judicial

proceedings which will directly affect or be directly affected by or have a bearing on the

Board's decision in the pending appeal.

(3) Status of Claims

The statement of the status of claims contained in the brief is correct.

(4) Status of Amendments After Final

The appellant's statement of the status of amendments after final rejection

contained in the brief is correct.

(5) Summary of Claimed Subject Matter

The summary of claimed subject matter contained in the brief is correct.

(6) Grounds of Rejection to be Reviewed on Appeal

The appellant's statement of the grounds of rejection to be reviewed on appeal is

correct.

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

May   US 2002/0116317   August 22, 2002

Li   US 2003/0004850   January 2, 2003

(9) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that

form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 1-4, 8-21, 25-37, 41-54, and 58-70 are rejected under 35 U.S.C. 102(e)

as being anticipated by May (US 2002/0116317).

May discloses a method and corresponding computer-implemented system,

means, and software for reverse auction of financial instruments comprising conducting

an automatic negotiation, a database operable to store profiles for parties to the

negotiation, each profile specifying values for one or more parameters being negotiated,

these values reflecting a desirable outcome of the negotiation for the associated party,

and a matching server operable to access an offer from a first party containing values

for one or more of the parameters being negotiated, compute a distance between the

values in the offer and the values in the profile of a second party, if the distance is

acceptably small, cause the offer to be accepted by the second party to conclude the

negotiation, and if the distance is not acceptably small, automatically modify one or

more values in the offer such that the distances between the modified offer and the

profiles of the first and second parties are acceptably small simultaneously and, in

response, cause the modified offer to be accepted by both the first and second parties
to conclude the automatic negotiation (p.1, 2; p.21, 300 to p.22, 309; and p.29, 370 to
p.30, 379); the values in the profile are selected from the group consisting of values
reflecting true needs with respect to parameters being negotiated and values reflecting
a desired outcome with respect to parameters being negotiated, the desired outcome
being more favorable than the true needs (p.1, 2; p.21, 300 to p.22, 309; and p.29, 370
to p.30, 379); the matching server generates the offer for the first party automatically
according to the profile of the first party (p.1, 2; p.21, 300 to p.22, 309; and p.29, 370 to
p.30, 379); the matching server automatically accepts the offer on behalf of the second
party if the distance is acceptably small (p.1, 2; p.21, 300 to p.22, 309; and p.29, 370 to
p.30, 379); the parameters are organized into one or more subsets, the distance
between the offer values and the profile values is computed for each parameter subset,
and the matching server is further operable to for each parameter subset, apply a
weight to the distance to compute a weighted distance for the subset, compute an
overall distance between the offer and the profile according to the weighted distances of
the parameter subsets, if the overall distance is acceptably small, cause the offer to be
accepted by the second party to conclude the negotiation, and if the overall distance is
not acceptably small, automatically modify one or more values in the offer such that the
overall distances between the modified offer and the profiles of the first and second
parties are acceptably small simultaneously and, in response, cause the modified offer
to be accepted by the first and second parties to conclude the automatic negotiation
(p.1, 2; p.21, 300 to p.22, 309; p.27, 354 and p.29, 370 to p.30, 379—may be done by

system in determining the winning bid); the weighted distances are summed over all the parameter subsets to compute the overall distance (p.1, 2; p.21, 300 to p.22, 309; p.27, 354 and p.29, 370 to p.30, 379); the weight for each parameter subset is specified as part of a profile; the matching server is further operable to determine the weights for one or more parameter subsets based on one or more words, as opposed to numbers, within the profile (p.1, 2; p.21, 300 to p.22, 309; p.27, 354 and p.29, 370 to p.30, 379); the distance for a first parameter subset is computed as an absolute error between the associated parameter values for the offer and profile, the distance for a second parameter subset is computed as a mean-square error between the associated parameter values for the offer and profile, the weighted distances for the first and second parameter subsets are summed to compute the overall distance for the offer (p.1, 2; p.21, 300 to p.22, 309; p.27, 354 and p.29, 370 to p.30, 379); the distance for a parameter subset is computed to reflect a preference selected from the group consisting of exact matches between the parameter values for the offer and profile and, where no exact match is possible for a parameter, a minimum difference between the values for the offer and profile for that parameter, close matches between the parameter values for the offer and profile for all of the parameters simultaneously, an exact match not being required for any of the parameters, and an exception prohibiting exact matches between the parameter values for the offer and profile (p.1, 2; p.21, 300 to p.22, 309; p.27, 354 and p.29, 370 to p.30, 379); the negotiation is over parameters of one or more items selected from the group consisting of: parts, components, products, or other tangible items, services, real property, and contracts or other legal instruments (p.1, 2; p.21, 300

to p.22, 309; p.27, 354 and p.29, 370 to p.30, 379); a marketplace associated with the

matching server (p.1, 2; p.21, 300 to p.22, 309; p.27, 354 and p.29, 370 to p.30, 379);

accessing profiles of parties to the negotiation, each profile specifying values for one or

more parameters being negotiated, these values reflecting a desirable outcome of the

negotiation for the associated party, accessing an offer from a first party that contains

values for the parameters being negotiated, computing a distance between the values in

the offer and the values in the profile of a second party, if the distance is acceptably

small, causing the offer to be accepted by the second party to conclude the negotiation;

and if the distance is not acceptably small, then automatically modifying one or more

values in the offer such that the distances between the modified offer and the profiles of

the first and second parties are acceptably small simultaneously and, in response,

causing the modified offer to be accepted by both the first and second parties to

conclude the automatic negotiation (p.1, 2; p.21, 300 to p.22, 309; p.27, 354 and p.29,

370 to p.30, 379); values are selected from the group consisting of values reflecting true

needs with respect to parameters being negotiated, and values reflecting a desired

outcome with respect to parameters being negotiated, the desired outcome beng more

favorable than the true needs (p.1, 2; p.21, 300 to p.22, 309; p.27, 354 and p.29, 370 to

p.30, 379); generating the offer for the first party automatically according to the profile of

the first party (p.1, 2; p.21, 300 to p.22, 309; p.27, 354 and p.29, 370 to p.30, 379); and

automatically accepting the offer on behalf of the second party if the distance is

acceptably small (p.1, 2; p.21, 300 to p.22, 309; p.27, 354 and p.29, 370 to p.30, 379).

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all

obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set
> forth in section 102 of this title, if the differences between the subject matter sought to be patented and
> the prior art are such that the subject matter as a whole would have been obvious at the time the
> invention was made to a person having ordinary skill in the art to which said subject matter pertains.
> Patentability shall not be negatived by the manner in which the invention was made.

The factual inquiries set forth in *Graham* v. *John Deere Co.*, 383 U.S. 1, 148

USPQ 459 (1966), that are applied for establishing a background for determining

obviousness under 35 U.S.C. 103(a) are summarized as follows:

1.   Determining the scope and contents of the prior art.
2.   Ascertaining the differences between the prior art and the claims at issue.
3.   Resolving the level of ordinary skill in the pertinent art.
4.   Considering objective evidence present in the application indicating
        obviousness or nonobviousness.

Claims 5-7, 22-24, 38-40, and 55-57 are rejected under 35 U.S.C. 103(a) as

being unpatentable over May in view of Li (US 2003/0004850).

May discloses the invention substantially as claimed; however, May does not

disclose the distance computed using a formula where K is number of parameters being

negotiated, offer k is the offer value for the kth parameter, profile k is the profile value

for the kth parameter, the summation is over all k parameters, and n is the order of the

distance measure, the value of n is specified as part of the n is specified as part of the

profile, or matching server is further operable to determine the value of n based on one

or more words, as opposed to numbers, within the profile. Li teaches an auction

management method and corresponding computer-implemented system, means, and

software comprising the distance computed using a formula where K is number of

parameters being negotiated, offer k is the offer value for the kth parameter, profile k is

the profile value for the kth parameter, the summation is over all k parameters, and n is

the order of the distance measure (p.9, 144 to p.11, 186—system may compute using a

variety of calculations); the value of n is specified as part of the n is specified as part of

the profile (p.9, 144 to p.11, 186—system may compute using a variety of calculations);

and a matching server is further operable to determine the value of n based on one or

more words, as opposed to numbers, within the profile (p.9, 144 to p.11, 186—system

may compute using a variety of calculations). It would have been obvious to one having

ordinary skill in the art at the time the invention was made to incorporate the distance

computed using a formula where K is number of parameters being negotiated, offer k is

the offer value for the kth parameter, profile k is the profile value for the kth parameter,

the summation is over all k parameters, and n is the order of the distance measure, the

value of n is specified as part of the n is specified as part of the profile, and matching

server is further operable to determine the value of n based on one or more words, as

opposed to numbers, within the profile, as taught by Li into the invention disclosed by

May, to demonstrate that a variety of calculations may be performed by the auction

management system.

(10) Response to Argument

The Appellant argues that he contacted the Examiner for clarification of the

Office Action and still found no understanding. In response, the Examiner attempted to

give clarification of the Office Action to the Appellant; however, the Appellant repeatedly

tried to lead the Examiner. The Examiner even requested that the Appellant copy down her remarks verbatim, and the Appellant was still uncooperative.

The Appellant argues that May does not disclose a database operable to store profiles, where each profile specifies values for one or more parameters being negotiated; a matching server operable to compute a distance between values in an offer and values in the profile of the second party; or causing the offer to be accepted if the distance is acceptably small and modifying values of the offer if the distance is not acceptably small. In response, May discloses a database operable to store profiles, where each profile specifies values for one or more parameters being negotiated (user may enters profiles which are then stored when requesting an "Request for Price" quote; the RFP specifies the values of one or more parameters being negotiated—p.30, 374-377); a matching server operable to compute a distance between values in an offer and values in the profile of the second party (the system is capable of computing a distance between the values in an offer and values in the profile of a second party when conducting an RFP to determine the best match); and causing the offer to be accepted if the distance is acceptably small and modifying values of the offer if the distance is not acceptably small (RFP is accepted if it meets the requirements entered into the system or comes very close to meeting the requirements entered into the system; if the RFP is not acceptable—distance not acceptably small, then a response to the bid changing parameters—counteroffer—may be submitted). Therefore, the Examiner is interpreting May as reading onto the invention substantially as claimed.

The Appellant argues that Li does not teach the expression claimed in claim 5 and that the expressions taught by Li are not related to calculating distance between values in an offer from a first party and values in a profile of a second party. The Applicant further argues that there is no motivation to combine the May and Li references. In response, May is silent with regard to formulas that may be used to calculate distance in the auction system. Li teaches an auction management system in which various formulas are used to calculate constraints (Examiner is interpreting as being used to calculate a distance between values in an offer and values in the profile of a second party). The formulas taught by Li are not limited, and the system may be used to input any formula used to calculate constraints/distance. The Examiner has found motivation to combine in the fact that both May and Li disclose and suggest auction management systems in which parameters are used in negotiation; however, May is silent as to formulas that may used in determining which offers to accept and reject. Therefore, the Examiner is interpreting May and Li as reading onto the invention substantially as claimed.

The Appellant argues that May is not valid prior art. The Examiner pointed out in the Office Action dated December 16, 2004, that the Appellant should request a copy of the provisional from the Office of Public Records. The Appellant failed to do so, and then disputed the provisional reference of May in the amendment after final filed on October 14, 2005. The Examiner stated that the Appellant had adequate time to order the provisional and set forth any disputes, BEFORE prosecution had closed. The Examiner pulled the provisional reference of May and found support in the reference for

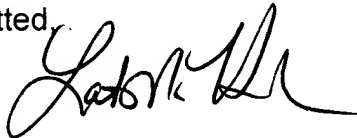the cited RFP counteroffer (fig.27A-B; p.7, 3-10, p.72, 15 to p.74, 5, and p.82, 17 to

p.83, 12).

(11) Related Proceeding(s) Appendix

No decision rendered by a court or the Board is identified by the examiner in the

Related Appeals and Interferences section of this examiner's answer.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

Lalita M. Hamilton

Conferees:

Vincent Millin

Alexander Kalinowski